

All of the card games allowed in the Charitable Games Act must be played substantially according to the description of the games found in Hoyle's Modern Encyclopedia of Card games by Walter B. Gibson, published by Doubleday and Company, Inc., April 174, 1st Edition. See 86 Ill. Adm. Code 435.160(a). (This a GIL).

June 24, 2004

Dear Xxxxx:

This letter is in response to your letter dated February 2, 2004, and our subsequent telephone conference on May 25, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I spoke with PERSON on Thursday, January 29, 2004, and she suggested that I contact the Legal Department to ask about my inquiry. A client of mine hopes to hold a Texas Hold 'Em contest in April, but we recognize that various state gaming and revenue laws might impact the legality of such a contest. The ultimate winner of the contest would win an all-expenses paid trip to Las Vegas, including an entry into the Binion's World Series of Poker ('WSOP'). Before CLIENT goes any further, it asked me to investigate the legality of the contest. CLIENT wants to assure itself that such a contest will not run afoul of any state laws.

PERSON suggested that, in hopes of obtaining guidance from the Illinois Department of Revenue, I write to the Legal Department and include a thumb-nail sketch of how the contest might work. This is that letter.

CLIENT envisions setting up the contest by having one of the many charities that CLIENT regularly supports be the party that actually puts on the contest. This would mean that the charity itself would obtain the appropriate licenses and run the contest according to the laws laid out in the Charitable Games Act. Participants would be asked to pay an entry fee that would provide enough revenue for the charity to cover the costs

of administering the contest, for the prize package and for the charity to raise significant funds. CLIENT would not receive any of the money from the entry fees. CLIENT may also provide free advertising for the event to increase interest in the contest and to ensure a bigger turnout, meaning more revenue for the charity. Additionally, CLIENT may try to find other sponsors for the event. Those other sponsors would provide CLIENT and/or the charity with additional revenue for the opportunity of being part of the event.

We would be interested in talking to you about this approach. CLIENT believes that this could be a fun event for the people of CITY and possibly a lucrative event for a local charity. CLIENT only wants to pursue this if it feels it can do so in a legal manner. Please let me know your thoughts on this approach at your earliest convenience. Thanks again.

For general information purposes, the Charitable Games Act allows only fourteen types of games to be conducted at charitable events. The card games included among the games allowed under the Act include Black Jack, Gin Rummy, Poker, Hold'em Poker, and Five Card Stud Poker. Pursuant to 86 Ill. Adm. Code 435.160(a), these games must be played substantially the same as defined in Hoyle's Modern Encyclopedia of Card games by Walter B. Gibson, published by Doubleday and Company, Inc., April 1974, 1st Edition. Please note that later additions or amendments are not allowed.

Our research indicates that "Hold-Em Poker" was originally called "Texas Hold-Em Poker." From the description of "Hold-Em-Poker" found in Hoyle's it would appear that the players use the two cards dealt in their hands. The dealer does not rotate. Pursuant to Section 435.160(a) of the Act, a house dealer must be provided for all card games played at an event. The dealers are considered to participate in the management and operation of the games, and must be a bona fide employee, member, or volunteer recruited by the licensed organization.

It is our opinion that "Texas Hold-Em Poker" would be an allowable game under the Act if substantially played as defined in Hoyle's as "Hold-Em Poker." This would of course, require that the dealer ("house provided member") not rotate, and the players use the two cards dealt in their hands. Any substantial variation from this outside of the change in name would not be an allowable game under the Act.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

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